

FILED

01 JUL 12 PM 2:03

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY: *[Signature]* DEPUTY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE INCORPORATED,

Plaintiff,

vs.

VYSIS, INC.,

Defendant.

CASE NO. 99-CV-2668 H (AJB)

**Order Granting Application for  
Expedited Briefing on Vysis' Motion  
for Entry of Final Judgment Under  
Rule 54(b)**

On July 2, 2001, Vysis filed a Motion for Entry of Final Judgment Under Rule 54(b). Vysis seeks expedited briefing and hearing on the motion due to the discovery closure dates in the case. The Court GRANTS Vysis' request for an expedited briefing schedule. The Motion for Entry of Final Judgment is submitted on the papers pursuant to Local Rule 7.1(d.1).

IT IS SO ORDERED.

DATED: 7-11-01

*[Signature: Marilyn L. Huff]*  
MARILYN L. HUFF, Chief Judge  
UNITED STATES DISTRICT COURT

- 1 Copies to:  
2 Stephen Swinton  
3 Cooley Godward LLP  
4 4365 Executive Drive, Suite 1100  
5 San Diego, CA 92121  
6 Charles Lipsey  
7 Finnegan, Henderson, Farabow, Garrett & Dunner  
8 1300 I Street, N.W., Suite 700  
9 Washington, D.C. 20005  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

09533906.021202

0533906 "021202

1 Because the Court's claim construction is the foundation upon which all of the remaining  
2 issues of the case will rest, it is imperative that the claims be properly construed before addressing  
3 those issues. Any holding as to anticipation, obviousness, or nonenablement based on an incorrect  
4 construction of the claims of the '338 patent would require the parties to relitigate the case.  
5 Immediate appellate review by the Federal Circuit would avoid this serious risk. Thus, as discussed  
6 above and in Vysis' opening memorandum, it would be ill-advised to proceed with trial of the  
7 remaining issues absent appellate review of the fundamental issue of claim construction.

8  
9 **B. Proceeding to Try the Remaining Counts Will Not Alter Gen-Probe's Obligation  
To Pay Royalties**

10 Gen-Probe's concern that it may continue to pay royalties pending final judicial resolution of  
11 the liability issues will not be addressed by refusing to permit immediate appeal of the infringement  
12 issue. Gen-Probe is free to cease paying royalties any time it wishes. If it chooses to continue to pay  
13 royalties following the summary judgment order it has elicited from this Court, it can only be due to  
14 a lack of certainty that that order can be sustained on appeal. Insisting that the parties proceed to  
15 trial on the possibly moot validity and enforceability issues cannot relieve Gen-Probe of that  
16 uncertainty. Even after trial, Gen-Probe would still face the uncertainty that any judgment it secures  
17 in its favor may be reversed on appeal. It is for this reason that the license agreement between the  
18 parties specifically contemplates the prospect of royalties until there is a final, unappealable judicial  
19 decision on the liability issue. See, e.g., Banks Decl. Ex. B, ¶ 1.3 (requiring exhaustion of all  
20 appeals). As noted above, the fastest way to secure that final judicial decision is to permit Vysis to  
21 appeal the infringement ruling immediately.<sup>6</sup>

22  
23  
24 (...continued)  
25 claim construction because that count is based upon Gen-Probe's contention that the '338 patent is  
invalid and unenforceable.

26 <sup>6</sup> The only remaining relief sought by Gen-Probe – a questionable unfair competition claim  
27 for return of royalties paid – cannot be fully resolved against Vysis until there is a final decision on  
28 the liability issues, which is most expeditiously obtained by permitting an immediate appeal. Gen-  
Probe's claim to recover royalties paid can be resolved (if not dropped or settled) after the basic  
liability issue has been resolved.